

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1291-03
Bill No.: HCS for HB 424
Subject: Law Enforcement Offices and Agencies; Counties; Retirement - Local Government
Type: Original
Date: May 2, 2013

Bill Summary: This proposal modifies sources to be credited to the Sheriffs' Retirement Fund as well as authorizes a \$7 court fee in Kansas City.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	Up to \$1,687,878	Up to \$2,123,454	Up to \$2,123,454

FISCAL ANALYSIS

ASSUMPTION

Officials from the **City of Columbia** assume the current proposal would not fiscally impact their local government.

Officials from the **City of Kansas City** state that the proposal will only create nominal costs related to the collection of the surcharge for the Sheriff's Pension Fund.

Oversight assumes the City of Kansas City can absorb the collection costs related to this proposal.

Officials from the **Joint Committee on Public Retirement** state that this legislation indicates a modification of the funding mechanism for the Sheriffs' Retirement System. This proposal will result in a decrease from \$3 to \$2 on the current \$3 surcharge on civil and criminal cases and extends the surcharge to municipal cases. Based on information provided by the State Courts Administrator, the estimated revenue associated with this modification of the surcharge will be approximately \$3,225,099 resulting in a net increase from the current surcharge structure of approximately \$1,633,454.

Officials from the **Sheriffs' Retirement System** assume that this legislation will provide total revenue of about \$3,468,926 each year. This is due to 1,134,463 more municipal court case fees, at \$2 per case, being collected.

Oversight assumes that the Sheriffs' Retirement System did not take into account the reduction in fee revenue from the decrease in fee.

Officials from the **Office of the State Courts Administrator** assume proposed legislation modifies sources to be credited to the Sheriffs' Retirement Fund. The proposal decreases the surcharge from \$3 to \$2, however, the proposal has included municipal ordinance violations in the surcharge. Based on FY 2012 data, there are approximately 367,812 filed civil cases, with an anticipated collection percentage of ninety; 41,956 disposed circuit felony cases, with an anticipated collection percentage of thirteen; 56,158 disposed associate felony cases, with an anticipated collection percentage of forty; 112,510 disposed misdemeanors, with an anticipated collection percentage of forty; 140,081 disposed traffic cases with an anticipated collection percentage of forty; 20,511 disposed ordinance cases, with an anticipated collection percentage of eighty; 2,116 disposed municipal certification, with an anticipated collection percentage of

ASSUMPTIONS (continued)

eighty; and 1,418,079 disposed municipal division cases with an anticipated collection percentage of eighty. The 2012 disbursement to the Sheriffs' Retirement was \$1,591,645, the anticipated surcharge would be \$3,225,099 resulting in a net increase of \$1,633,454.

§ 488.2230 - \$7 court cost in Kansas City;

In response to a similar proposal, HB 764, officials from the **Office of State Courts Administrator, Office of Prosecution Services, and State Public Defender's Office** each assumed the proposal would not fiscally impact their respective agencies.

In response to a similar proposal, HB 764, officials from the **City of Kansas City (KC)** estimated the additional costs of \$7 per municipal ordinance violation to fund special mental health, drug and veterans courts and indigent defense will result in the following additional revenues per year.

FY14: \$326,667

FY15: \$490,000

FY16: \$490,000

Oversight assumes this proposal allows KC to charge an additional \$7 dollars in municipal ordinance violation cases.

Oversight assumes this proposal could result in additional revenues to KC if the city chooses to collect additional revenue for court costs. However, the proposal is permissive, and for the purpose of the fiscal note, **Oversight** will show a direct fiscal impact of \$0 or \$326,667 in FY14, \$0 or \$490,000 in FY15, and \$0 or \$490,000 in FY16 to KC.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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LOCAL POLITICAL SUBDIVISIONS

Revenue - KC

Additional \$7 for municipal ordinance violation cases	\$0 or \$326,667	\$0 or \$490,000	\$0 or \$490,000
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Revenue - Sheriffs' Retirement Fund

Modification in surcharge structure	<u>\$1,361,211</u>	<u>\$1,633,454</u>	<u>\$1,633,454</u>
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>Up to \$1,687,878</u>	<u>Up to \$2,123,454</u>	<u>Up to \$2,123,454</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Currently, a surcharge of \$3, payable to the credit of the Sheriffs' Retirement Fund, is assessed in all civil actions and criminal cases, including violations of county ordinances, criminal laws, or traffic laws and infractions of the state, with certain exceptions. This proposal decreases the surcharge to \$2 and includes the surcharge on violations of municipal ordinances.

This proposal also allows the City of Kansas City to impose an additional court cost of up to \$7 fee per case for each municipal ordinance violation. The additional cost cannot be collected in any proceeding involving a violation when the proceeding or the defendant has been dismissed by the court. The judge may waive the assessment of the additional cost if the judge finds the defendant

LO:LR:OD

FISCAL DESCRIPTION (continued)

to be indigent and unable to pay the costs.

The city must only use the additional costs to fund special drug, mental health, and veterans courts, including indigent defense and ancillary services.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Joint Committee on Public Retirement
Sheriffs' Retirement System
Office of Prosecution Services
Office of the State Public Defender
City of Columbia
City of Kansas City



Ross Strope
Acting Director
May 2, 2013